

**REPUBLIC OF KENYA**



**MINISTRY OF TOURISM AND WILDLIFE**

**STATISTICAL ANALYSIS OF TOURISM TRENDS  
(GLOBALLY AND LOCALLY)**

Central Planning Unit  
Ministry of Tourism and Wildlife  
P.O Box 30027  
NAIROBI  
Tel: 254-20-313010  
Email: [ps@tourism.go.ke](mailto:ps@tourism.go.ke)  
Website: [www.tourism.go.ke](http://www.tourism.go.ke)

**NOVEMBER 2006**

## 1. HIGHLIGHTS – INTERNATIONAL SCENE

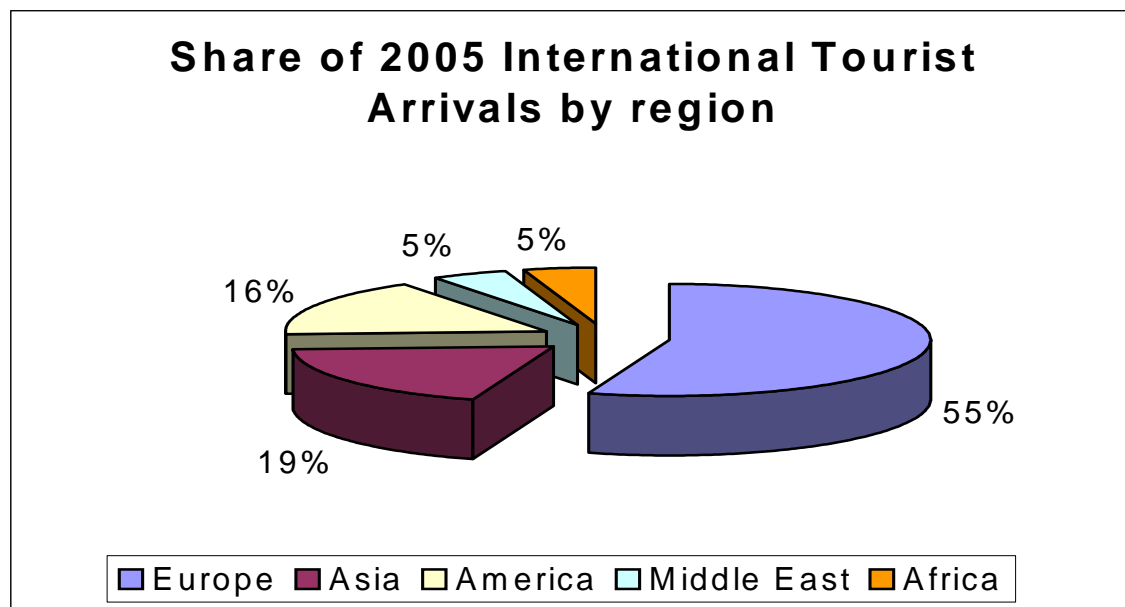
- International tourism went up by 5.5% to 808 million arrivals in 2005 despite the industry's threat from issues ranging from terrorism, natural disasters, health scares, oil price rises, exchange rate fluctuations and economic and political uncertainties.
- The estimated increase represent around 42 million additional arrivals, with more than 18million in Europe, 11 million in Asia and the Pacific, 7 million in America, 3 million in Africa and 2 million in the Middle east
- France was the leading tourist destination worldwide in 2004 and accounted for 9.8% of total international arrivals.
- There was an increase of 18.8% in global tourism expenditure from US\$ 524 billion in 2003 to US\$ 623 billion in 2004.
- Germany was the top tourism spender in 2004 with an expenditure of US\$71 billion accounting for 11.4% of total tourism expenditures.

Table 1: International Tourist Arrival by region (Millions)

	2000	2001	2002	2003	2004	2005*	Market share 2005(%)	Average Growth rate 2000-2005
<b>World</b>	<b>681</b>	<b>680</b>	<b>700</b>	<b>690</b>	<b>763</b>	<b>808</b>	<b>100</b>	<b>3.6</b>
Europe	384.1	383.8	394	396.6	416.4	443.9	54.9	3.0
Asia	114.99	120.7	131.1	119.3	152.5	156.2	19.3	7.0
America	128.2	122.1	116.6	113.1	125.8	133.1	16.5	1.0
Middle East	25.2	25	29.2	30	35.4	38.4	4.8	9.0
Africa	28.2	28.9	29.5	30.8	33.2	36.7	4.5	5.5

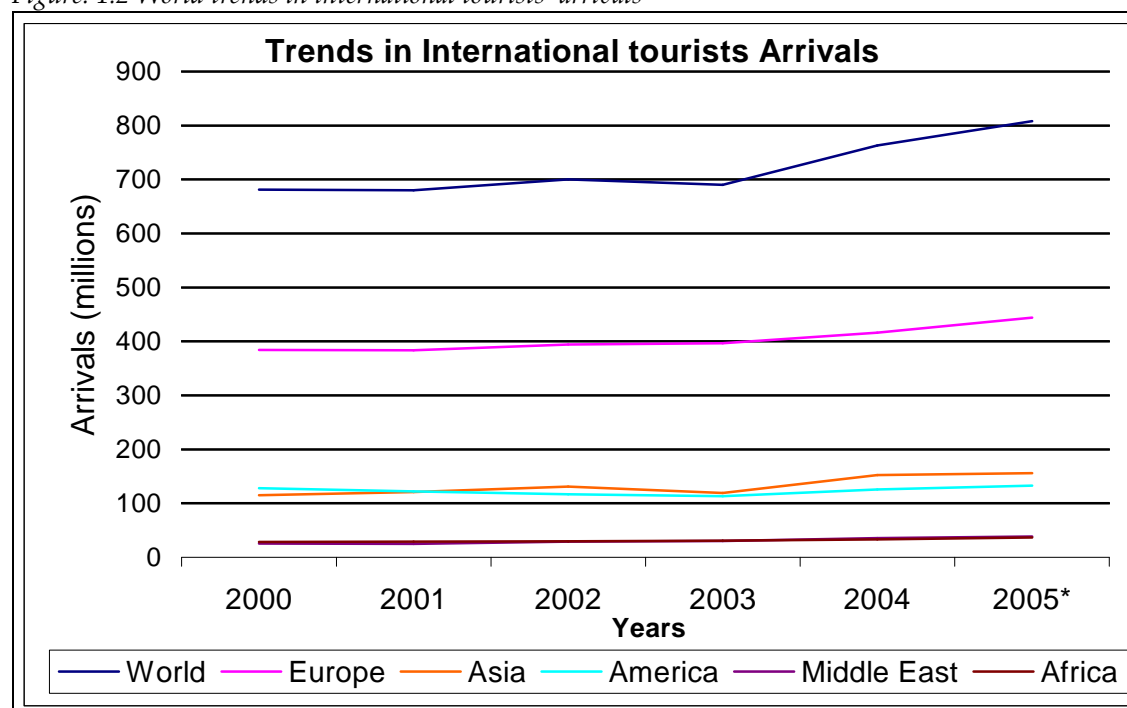
Source WTO

Figure 1.1: Share of 2005 International Tourist Arrivals by region



Europe had the highest share of arrivals at 443.9 million arrivals in 2005 accounting for 54.9% of total arrivals. It was followed by Asia and the Pacific which had 156.2 million arrivals representing 19.3%. America received 133.1 % accounting for 16.5% while Middle East and Africa accounted for 4.8% and 4.5% respectively.

Figure: 1.2 World trends in international tourists' arrivals



Middle East had the highest average growth rate of 8.8% between 2000-2005 followed by Asia and Pacific with 7%. Africa had an average growth rate of 5.4% which was higher the average global growth rate of 3.2%. Europe and America witnessed the slowest growth rates lower than the world average.

Table 2: International Tourist Arrivals (Millions)

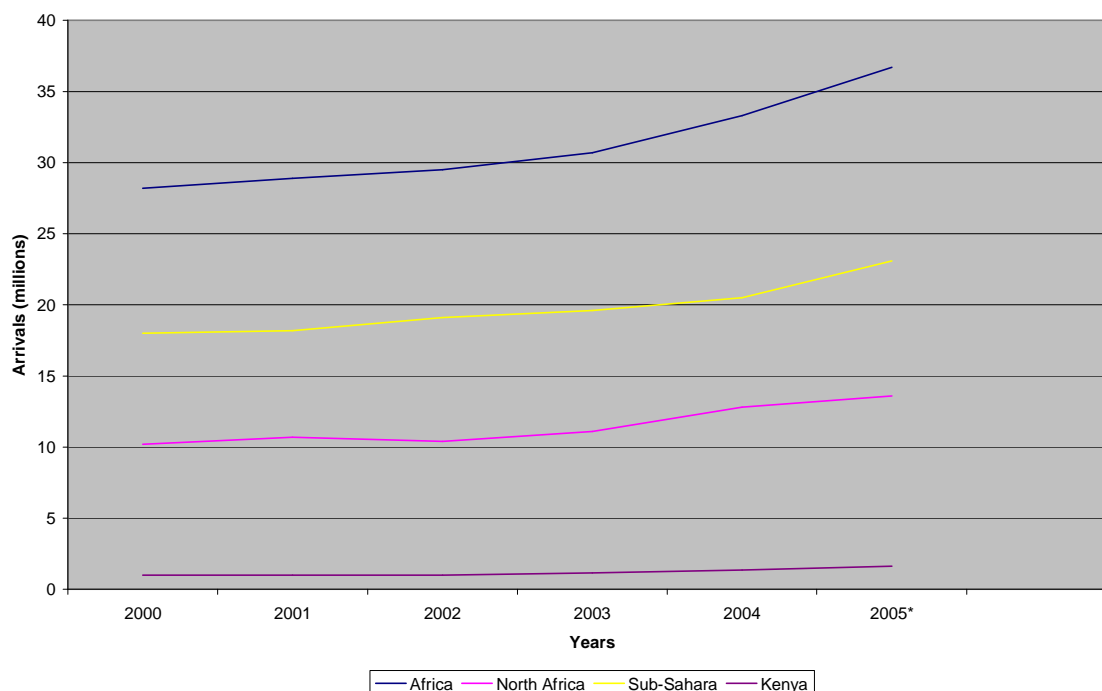
	2000	2001	2002	2003	2004	2005*	Market share 2005(%)	Average Growth Rate 2000-2005
<b>Africa</b>	28.2	28.9	29.5	30.7	33.3	36.7	4.5	5.4
<b>North Africa</b>	10.2	10.7	10.4	11.1	12.8	13.6	1.7	5.9
<b>Sub-Sahara Africa</b>	18	18.2	19.1	19.6	20.5	23.1	2.9	5.2
<b>Kenya</b>	1	0.99	1	1.15	1.36	1.62	0.2	9.8

\*provisional

Source: WTO

Figure 1.3: Trends in international tourist's arrivals in Africa 2000 -2005

**Trends of International tourists arrivals in Africa 2000-2005**



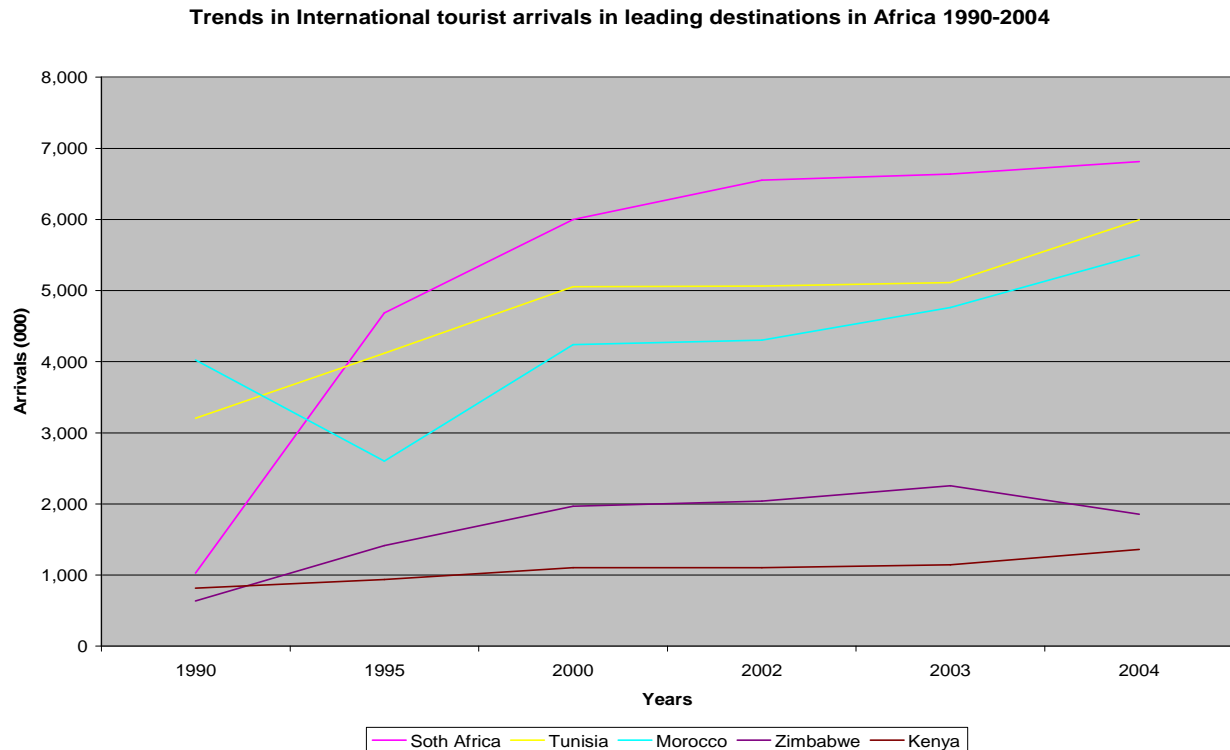
Kenya witnessed an average growth of 9.8% for international tourist arrivals between 2000 – 2005. This was more than 3 times the average growth of 3.2 % globally. Africa had a growth rate of 5.4% while North Africa and Sub-Saharan Africa had a growth of 5.9% and 5.2% respectively over the same period. Kenya accounted for 0.2 % of the total international arrivals worldwide by receiving 1.62 million of the total international arrivals of 808 millions worldwide. Africa accounted for 4.5% of the total international arrivals while Sub-Saharan Africa and northern Africa accounted for 2.8% and 1.7% respectively.

**Table 3: Leading Tourist Destinations in Africa 1990-2004**

		International tourists arrivals (000)						Market Share in Africa 2004	% change		Average Annual growth % 1995-2004
		1990	1995	2000	2002	2003	2004		03/02	04/03	
	<b>Africa</b>	<b>15,160</b>	<b>20,438</b>	<b>28,154</b>	<b>29,492</b>	<b>30,763</b>	<b>33,222</b>	<b>100</b>	<b>4.3</b>	<b>8</b>	<b>6.6</b>
1	South Africa	1,029	4,684	6,001	6,550	6,640	6,815	20.5	1.4	2.6	5.1
2	Tunisia	3,204	4,120	5,058	5,064	5,114	5,998	18.1	1	17.3	4.2
3	Morocco	4,024	2,602	4,240	4,303	4,761	5,501	16.6	10.7	15.5	10.3
4	Zimbabwe	636	1,416	1,967	2,041	2,256	1,854	5.6	10.5	-17.8	6.8
5	Kenya	814	937	1,104	1,104	1,146	1,360	4.1	3.4	30.7	
6	Algeria	1,137	520	866	988	1,166	1,234	3.7			
7	Nigeria	190	656	813	887			3.2			4.4
8	Botswana	543	521	1,104	1,037	975		2.5	-5.9		16.2
9	Mauritius	292	422	656	682	702	719	2.2	3	2.4	9.2
10	Namibia		399		757	695		2	-8.2		
11	Others							33.3			

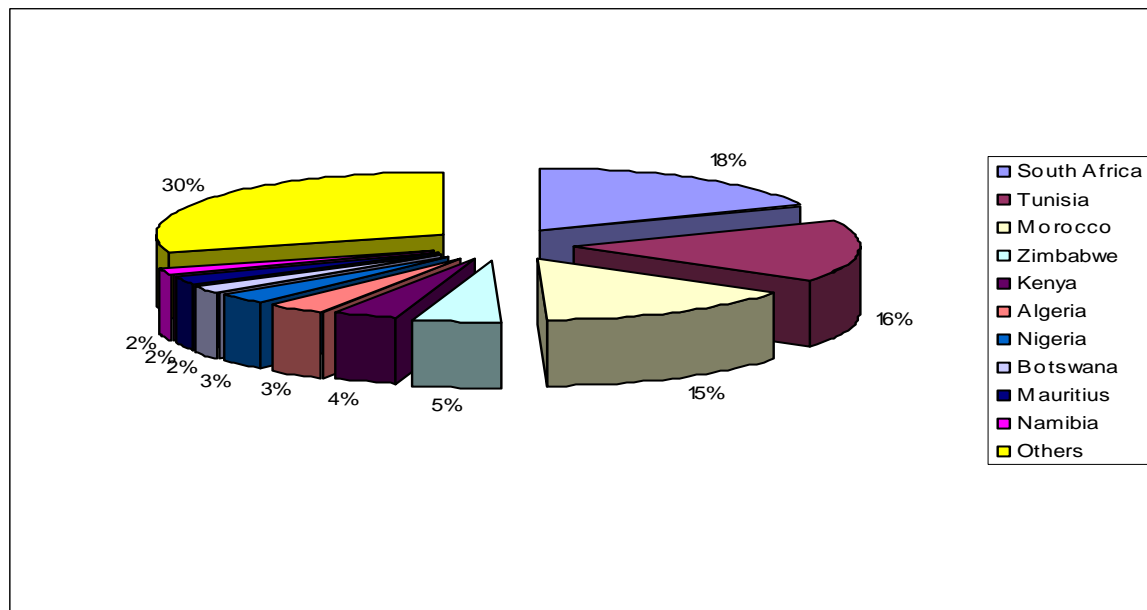
Source WTO

Figure 1.4: Trends in international tourists' arrivals in leading destinations in Africa in 1990-2004



In 2004, Kenya was the fifth international tourist destination in Africa after receiving 1,360,000 international tourists representing 4.1% of international arrivals in Africa. This was less than  $\frac{1}{4}$  of international arrivals in the Africa's leading destination, South Africa which received 6,815,000 representing 20% of international arrivals in Africa

Figure 1.5: Top 10 tourist destinations in Africa compared to the rest of Africa.



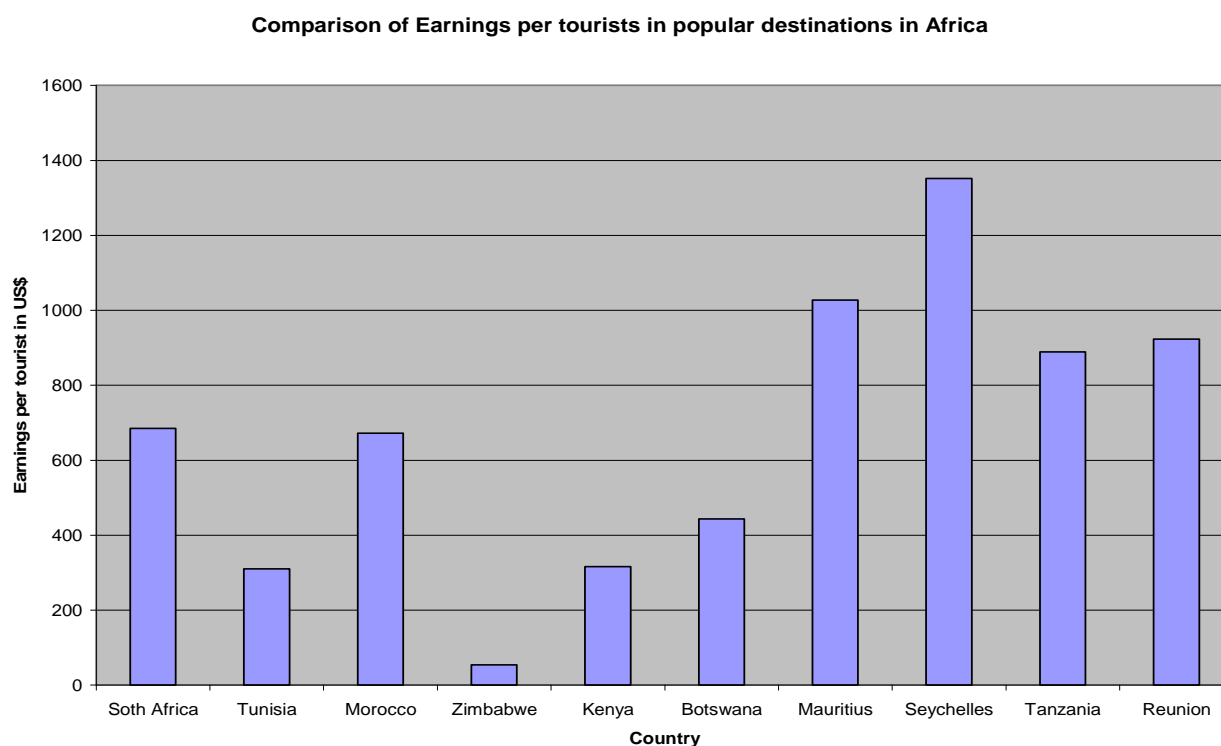
The pie-chart shows that the top ten tourists' destinations in Africa account for 70% of the total international tourist arrivals leaving 30% to the rest of the countries.

*Table 4: Earnings per tourist in highly competitive destinations in Africa*

		International tourists arrivals (000)				Earnings from tourism in US\$ (million)				Earnings per tourist in US\$ E/A
		2002	2003	2004	Total Arrivals 3Yrs (A)	2002	2003	2004	Total Earnings 3 Yrs (E)	
1	South Africa	6,550	6,640	6,815	20,005	2,909	5,144	5,648	13,701	684.9
2	Tunisia	5,064	5,114	5,998	16,176	1,523	1,582	1,910	5,015	310
3	Morocco	4,303	4,761	5,501	14,565	2,646	3,225	3,921	9,792	672
4	Zimbabwe	2,041	2,256	1,854	6,151	76	61	194	331	53.8
5	Kenya	1,001	1,146	1,360	3,507	276	339	495	1,110	316
6	Botswana	1,037	975	975	2,987	319	457	549	1,325	443
7	Mauritius	682	702	719	2,103	612	696	853	2,161	1,027.60
8	Seychelles	132	122	121	375	164	171	172	507	1,352
9	Tanzania	550	552	566	1,668	439	450	595	1,484	889
10	Reunion	426	432	430	1,288	329	413	448	1,190	923

*Source WTO*

*Figure 1.6: comparison of earnings per tourists in popular destinations in Africa*



One tourist earns Kenya an average of US\$ 316(Kshs 23,700) compared to an average earning of US\$ 1352 per tourist for Seychelles and US\$ 1,027 and 889 for Mauritius and Tanzania respectively. This implies one tourist earns Seychelles more than what 4 tourist earn Kenya while 1 tourist in Tanzania earns the country more than what 2 tourists earn Kenya. Other highly earning destinations in Africa are Reunion, South Africa and Morocco. Kenya needs to borrow a leaf from these destinations.

*Table 5: World's Top 20 Tourism Destinations (Absolute numbers)*

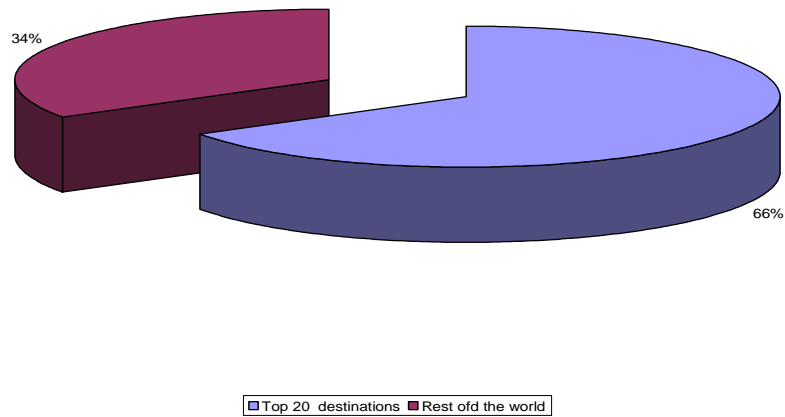
		International tourists arrivals (million)			Change (%)			Market Share 2004*	Arrivals Per 100 of Population
		2002	2003	2004	002/003	003/002	004/003		
	<b>World</b>	<b>700.0</b>	<b>690.0</b>	<b>763.0</b>	<b>2.9</b>	<b>-1.5</b>	<b>10.7</b>	<b>100.0</b>	<b>11.0</b>
<b>1</b>	France	77.0	75.0	75.1	2.4	-2.6	0.1	9.8	124.0
<b>2</b>	Spain	52.3	51.8	53.6	4.5	-0.9	3.4	7.0	133.0
<b>3</b>	United States	43.6	41.2	46.1	-7.1	-5.4	11.8	6.0	16.0
<b>4</b>	China	36.8	33.0	41.8	11.0	-10.4	26.7	5.5	3.0
<b>5</b>	Italy	39.8	39.6	37.1	0.6	-0.5	-6.4	4.9	64.0
<b>6</b>	United Kingdom	24.2	24.7	27.8	5.9	2.2	12.3	3.6	46.0
<b>7</b>	Hong kong (China)	16.6	15.5	21.8	20.7	-6.2	40.4	2.9	318.0
<b>8</b>	Mexico	19.7	18.7	20.6	-0.7	-5.1	10.5	2.7	20.0
<b>9</b>	Germany	18.0	18.4	20.1	0.6	2.4	9.5	2.6	24.0
<b>10</b>	Austria	18.6	19.1	19.4	2.4	2.5	1.5	2.5	237.0
<b>11</b>	Canada	20.1	17.5	19.2	1.9	-12.6	9.2	2.5	59.0
<b>12</b>	Turkey	12.8	13.3	16.8	18.6	4.3	26.1	2.2	24.0
<b>13</b>	Malaysia	13.3	10.6	15.7	4.0	-20.4	48.5	2.1	67.0
<b>14</b>	Ukraine	10.5	12.5	15.6	14.6	19.0	24.9	2.0	33.0
<b>15</b>	Poland	14.0	13.7	14.3	-6.8	-1.9	4.2	1.9	37.0
<b>16</b>	Greece	14.2	14.0	14.0	0.9	-1.5		1.9	131.0
<b>17</b>	Hungary			12.2				1.6	122.0
<b>18</b>	Thailand	10.9	10.0	11.7	7.3	-8.0	16.5	1.5	18.0
<b>19</b>	Portugal	11.6	11.7	11.6	-4.3	0.5	-0.8	1.5	110.0
<b>20</b>	Netherlands	9.6	9.2	9.6	1.0	-4.3	5.1	1.3	59.0

*Source WTO*

France is the leading tourist destination worldwide and accounted for 9.8% of total international arrivals. It was followed by Spain, United States, China and Italy in that order. Hong Kong (China) had the highest arrivals per 100 population with 318 arrivals for every 100 people followed by Austria, Spain and Greece in that order.

**Figure 1.7      Top 20 Tourists Destinations compared to the rest of the World**

**Top 20 Tourists destinations compared to the rest of the world in 2004**



The pie chart shows that the top 20 tourists' destinations account for 66% of the total international tourist arrivals leaving only 34% to be shared among the rest of the world.



Table 6: Worlds Top 20 Tourism Spenders

		International Tourism Expenditure(US\$ billion)			Change (%)		Market Share 2004*	Population 2004 (million)	Expenditure Per capita (US\$)
		2002	2003	2004	003/002	004/003			
	<b>World</b>	<b>485.0</b>	<b>524.0</b>	<b>623.0</b>	<b>8.1</b>	<b>18.8</b>	<b>100.0</b>	<b>6373.0</b>	<b>98</b>
1	Germany	52.5	64.7	71.0	23.3	9.7	11.4	82.0	861
2	United States	58.7	57.4	65.6	-2.2	14.3	10.5	293.0	224
3	United kingdom	41.5	47.9	55.9	15.5	16.7	9.0	60.0	928
4	Japan	26.5	28.8	38.1	8.6	32.3	6.1	127.0	299
5	France	19.5	23.4	28.6	20.4	22.2	4.6	60.0	474
6	Italy	16.8	20.6	20.5	22.5	-0.4	3.3	58.0	354
7	China	15.4	15.2	19.1	-1.4	26.1	3.1	1299.0	15
8	Netherlands	12.9	14.6	16.4	13.1	12.5	2.6	16.0	1007
9	Canada	11.7	13.4	16.0	14.9	19.3	2.6	33.0	493
10	Russian Federation	11.3	12.9	15.7	14.1	22.1	2.5	144.0	109
11	Belgium	10.2	12.2	14.0	20.4	14.8	2.3	10.0	1356
12	Hong Kong (China)	12.4	11.4	13.3	-7.8	15.8	2.1	7.0	1934
13	Spain	7.3	9.1	12.2	24.7	34.2	2.0	40.0	302
14	Austria	9.4	11.8	11.4	25.3	-3.5	1.8	8.0	1388
15	Sweden	7.3	8.2	10.1	13.0	23.0	1.6	9.0	1126
16	Republic of Korea	9.0	8.2	9.9	-8.7	19.5	1.6	48.0	204
17	Australia	6.1	7.3	9.4	19.6	29.0	1.5	20.0	472
18	Switzerland	6.6	7.5	8.8	13.0	17.7	1.4	7.0	1181
19	Norway	5.1	6.7	8.4	30.3	26.3	1.4	5.0	1842
20	Taiwan(pr. Of China)	7.0	6.5	8.2	-6.8	26.1	1.3	23.0	359

Source: World Tourism Organization

There was an increase of 18.8% in global tourism expenditure from US\$ 524 billion in 2003 to US\$ 623 billion in 2004. Germany was the top tourism spender in 2004 with an expenditure of US\$71 billion accounting for 11.4% of total tourism expenditures. It was followed by United States, United Kingdom and Japan respectively

Hong Kong (China) had the highest tourism expenditure per capita of US\$ 1934 per person followed by Norway, Australia and Belgium in that order

## 2. HIGHLIGHTS –LOCAL SCENE

- Tourism earnings increased by 27.0 percent from KShs 38.5 billion in 2004 to KShs 48.9 billion in 2005. Provisional figures for 2006 reflect an increase of 15% to KShs 56.2 billion.
- International visitor arrivals grew by 8.7 percent from 1,360,700 in 2004 to 1,479,000 in 2005. Provisional figures for 2006 indicate a growth of 5.2% to stand at 1,556,000 international arrivals.
- After overtaking tea in 2004, tourism overtook even Horticulture by a small margin to become the leading foreign exchange earner.
- Bed night occupancy by visitors from Asian countries increased by 32.5% showing a response of increased frequency of national carrier to the Far East.
- Bed-night occupancy by German and UK residents accounted for 15% and 14% respectively, the largest share of bed nights occupied by foreign residents.
- Overall bed-occupancy rate increased from 37.8% in 2004 to 41.3% in 2005.
- Tourism significantly contributes to both the formal and informal jobs in Kenya. They are estimated at 130,000 and 360,000 jobs respectively.
- The sector proved successful in regaining its position as the leading foreign Exchange Earner in the year under review.

### 2.1 RECENT TRENDS 1997 - 2004

The tourism sector has recovered from the effects of insecurity, which rocked the country in 1997 coupled with the adverse travel advisories by the major source markets in 2003.

The sector recorded a tremendous improvement in 2004 as a result of aggressive destination marketing coupled with the reversal of negative travel advisory by the UK. Tourism earnings increased from Kshs 21,734 million in 2002 to Kshs 25,768 million in 2003 then to Kshs 39.2 billion in 2004, and regained its position as the leading foreign exchange earner in 2005 with Kshs 48.9 billion. Provisional figures indicate that the sector earned Kshs 56.2\* Billion in 2006. International visitor arrivals increased by 14.5 percent from 1,001,300 in 2002 to 1,146,100 in 2003 and 1,360,700 in 2004. Since then, the number has risen steadily to stand at 1,479,000 in 2005 and 1,556,000\* in 2006.

Bed-night occupancy by residents from European countries registered a 15% increase to 2.5 million in 2005 compared to 53.8% increase from 1.4 million in 2003 to 2.1 million in 2004 . This had been preceded by a recovery from the previous year's decline of 37.2 percent from 2.2 million in 2002 to 1.4 million in 2003.

Kenyan residents' bed-nights declined by 5.1% to 1.1 million in 2005 compared to a previous increase of 61.1% from 0.74 million in 2003 to 1.2 million in 2004.

---

\* Provisional figures

Overall bed-night occupancy rate increased significantly to 41.3% in 2005 compared to, 37.8 percent in 2004 while the hotel capacity defined by bed nights increased by 8% to 10.845 million in 2005 compared to 29.2 percent expansion from 7.766 million in 2003 to 10.03 million in 2004.

Conference tourism activities increased over the last few years with local conferences held going up from 754 in 2002 to 805 in 2003 then to 912 in 2004 before hitting 1,553 in 2005 while international conferences increased from 115 in 2002 to 126 in 2003 then to 145 and finally to 186 in 2005.

## 2.2 TOURISM CONTRIBUTION TO GDP.

Over the years, the tourism sector has been a major contributor to GDP. The sector's contribution has been estimated in the current national accounts as Trade, Hotels and Restaurants (TRH). It has averaged about 12 % contribution to GDP in 2004. Growth in the tourism sector has a multiplier effect which stimulates growth in other sectors of the economy.

However, the statistics available captures tourism as an amalgam of activities in trade and hotels and restaurants industries. Travel, a key aspect of tourism industry, has continuously been omitted when capturing tourism related data. This has led to gross under estimation of the exact contribution of the tourism industry to the GDP. The Tourism Satellite Account project was hatched to correct this anomaly but its implementation is behind schedule.

According to World Travel and Tourism Council Statistics, Kenya's Travel & Tourism Industry (Trade Element omitted) is expected to contribute 5.2% to Gross Domestic Product (GDP) in 2006 (KES87.0 bn or US\$1,118.5 mn), rising in nominal terms to KES214.2 bn or US\$1,842.9 mn (5.7% of total) by 2016. The Travel & Tourism Economy contribution (percent of total) should rise from 11.4% (KES189.1 bn or US\$2,430.9 mn) to 12.3% (KES461.8 bn or US\$3,973.0 mn) in this same period.

For this to happen, Government Travel & Tourism operating expenditures in Kenya in 2006 are expected to total KES19.7 bn (US\$253.3 mn) or 6.9% of total government spending. In 2016, this spending is forecast to total KES43.8 bn (US\$376.4 mn), or 7.1% of total government spending.

**Table 7: Contribution of Tourism/ Hotels and Restaurants, Agriculture & Manufacturing to GDP**

*(Figures in KShs Million and at 2001 constant prices)*

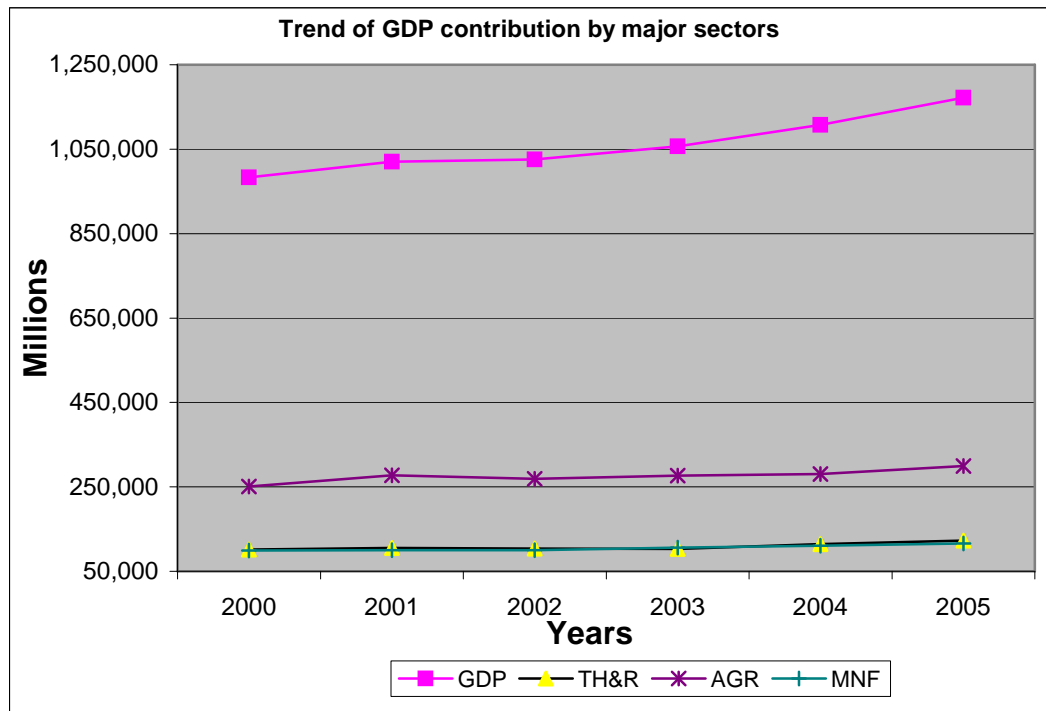
Year	2000	2001	2002	2003	2004	2005
<b>GDP</b>	982,855	1,020,022	1,025,854	1,056,454	1,107,715	1,172,090
<b>TH&amp;R</b>	101,662	105,395	103,661	102,708	114,402	122,736
<b>%GDP</b>	10.34	10.33	10.10	9.72	10.33	10.47
<b>AGR</b>	250,965	277,592	269,189	276,312	280,819	299,762
<b>%GDP</b>	25.53	27.21	26.24	26.15	25.35	25.57
<b>MNF</b>	99,485	99,777	99,894	105,891	110,617	116,157
<b>%GDP</b>	10.12	9.78	9.74	10.02	9.99	9.91

Source: C.B.S: Statistical Abstract and Economic Surveys 2005 & 2006

Key:

TH&R. = Trade, Restaurants and Hotels  
 AGR = Agriculture  
 MNF. = Manufacturing

Figure 2.1: Trend of GDP contribution by major sectors



## 2.3 BALANCE OF PAYMENTS

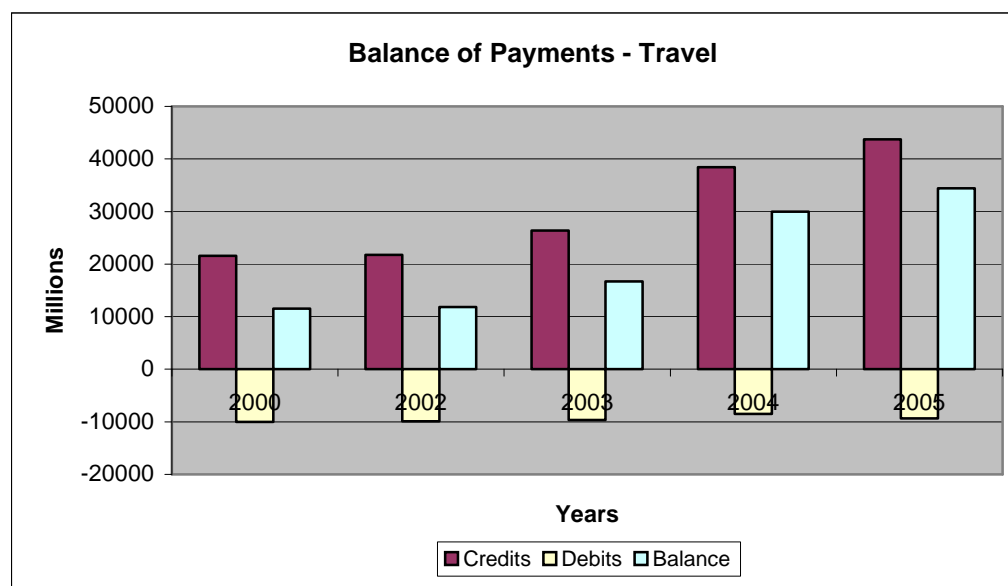
Tourism foreign exchange earnings have continued to play an important role in improving our balance of payments position. This is critical given that our economy is largely agriculture based and international commodity prices for our main export earning products like tea and coffee are very volatile and keep on fluctuating now and then. Recently the net earnings from tourism have shown good signs of recovery. It is also important to note that the import content for the sector is not very high.

Table 8: Balance of Payments - Travel (Kshs Million)

Year	2000	2001	2002	2003	2004	2005
<b>Credits</b>	21553	24256	21735	26382	38457	43747
<b>Debits</b>	-10018	-11241	-9889	-9652	-8511	-9359
<b>Balance</b>	11535	13016	11845	16729	29946	34388

Source: Central Bureau of Statistics

Figure 2.2 Trend of GDP contribution by major sectors



## 2.4 TOURISM EARNINGS AND INTERNATIONAL TOURISTS ARRIVALS 1995-2005

Tourism earnings and arrivals are on an upward trend after a slight slump in 2002. Tourism earnings increased by 51.9% from Kshs 25.8 billion in 2003 to Kshs 39.2 billion in 2004 while visitor arrivals grew by 18.7 % from 1,146,100 in 2003 to 1,360,700 in 2004.

In 2005 and 2006, the number of tourists arrivals soared to 1,479,000 and 1,556,000 earning the country a total of Kshs 48.9 billion and Kshs 56.2 billion respectively.

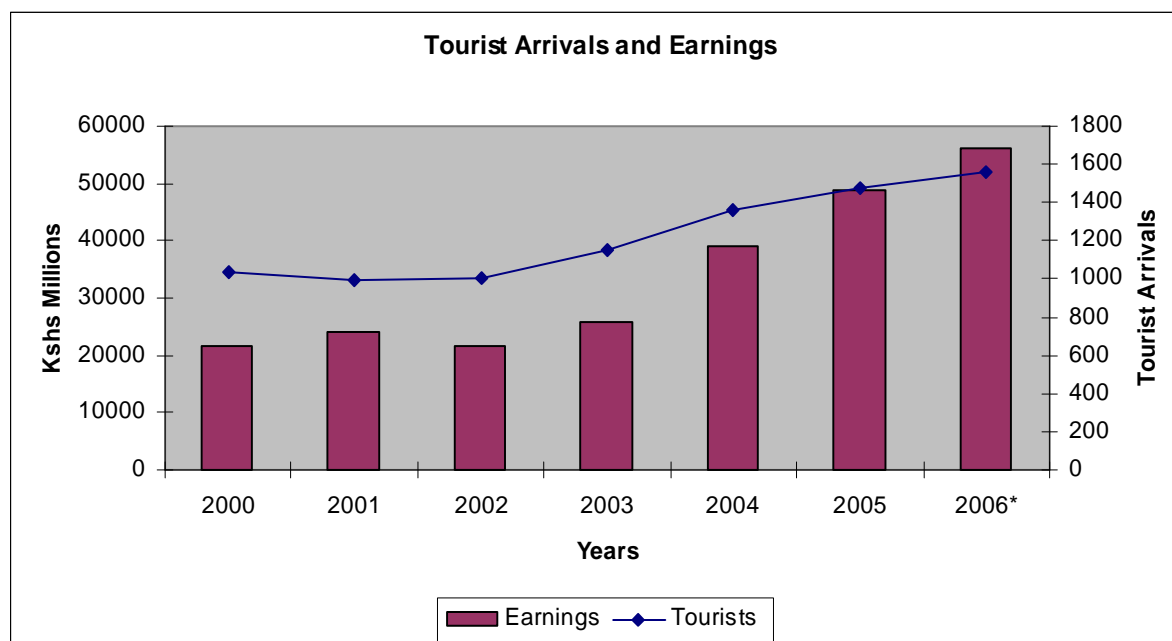
Table 9: Tourism earnings and tourist arrivals

Years	2000	2001	2002	2003	2004	2005	2006*
Earnings Kshs million	21533	24239	21734	25768	39200	48,900	56200
Tourists Arrivals '000'	1036.7	993.6	1001.3	1146.2	1360.7	1479.0	1,556

\*provisional

Source: Central Bureau of Statistics.

Figure 2.3: Tourist arrivals and earnings



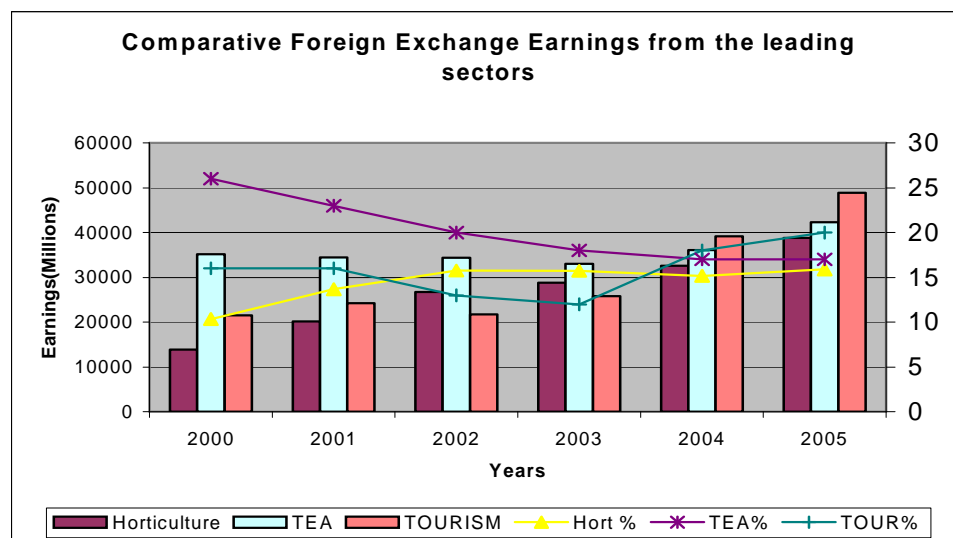
#### TOURISM CONTRIBUTION TO BALANCE OF PAYMENTS

For a long time, Kenya's exports have heavily depended on agricultural products. Starting 1987, tourism was the leading foreign exchange earner after coffee and tea, which traditionally have been the main foreign exchange earners. However, the scenario has changed since 1997 when earnings from tourism were overtaken by earnings from tea and horticulture in 2002. (See Table 2 and figures 1&2). Due to aggressive marketing however, Tourism in 2004 offset horticulture and finally Tea to regain its position as the Major Foreign Exchange earner accounting for 20% of the total foreign exchange earnings.

Table 10: Comparison of Foreign exchange earning between Tourism, Tea and Coffee

YEAR	Horticulture	Hort %	TEA	TEA%	TOURISM	TOUR%	TOTAL
2000	13900	10	35150	26.0	21553	16	134527
2001	20200	14	34485	23.0	24239	16	147590
2002	26700	16	34376	20.0	21734	13	169283
2003	28800	16	33005	18.0	25768	12	183154
2004	32600	15	36072	17.0	39200	18	214793
2005	38800	16	42291	17.0	48900	20	244198

Figure 2.4 Comparative Foreign Exchange Earnings from the leading Sectors



Source: Central Bureau of Statistics

## 2.6 CONTRIBUTION OF TOURISM TO EMPLOYMENT

Tourism in Kenya is a major source of employment. About 175,700 jobs (between 9 - 10 per cent) in the modern sector employment is in tourism and allied services. From the graph below employment levels within the sector has been on a constant growth pattern. This will go along way in fulfilling the government's commitments to create over 500,000 new jobs annually. An impact assessment study conducted in 1996 estimated that tourism generates a further 360,000 jobs in the informal sector.

It is also important to note that tourism, treated as an amalgamation of Trade, Hotels and Restaurants, is one of the only two sectors which had an increase in job opportunities provision with a 3% to 4% job increase after Transport and Communications Sector.

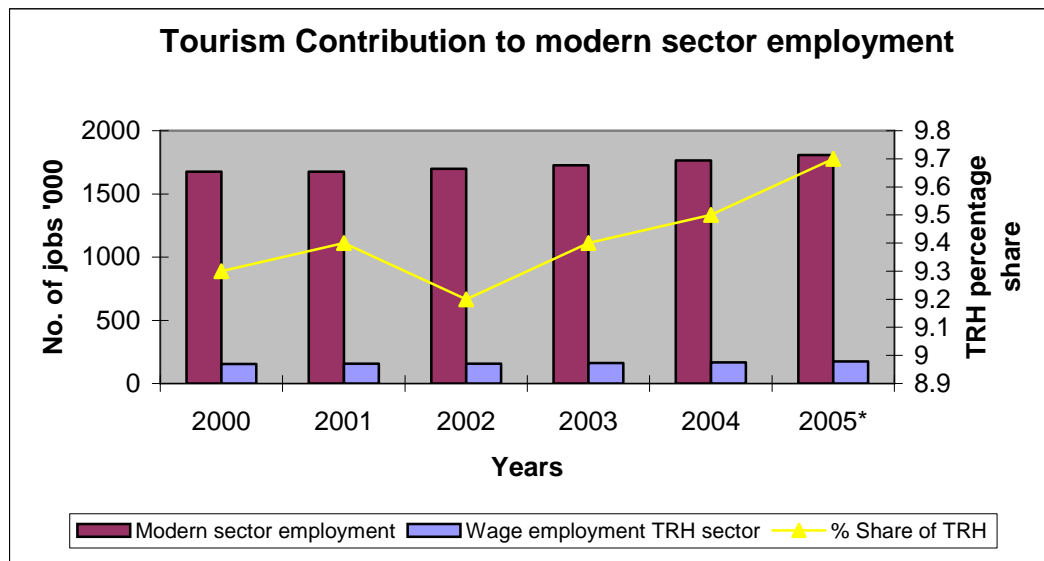
Table 11: Share of Tourism in Modern Wage Employment 1992-2005

YEAR	2000	2001	2002	2003	2004	2005*	Average Annual Growth (%)
Modern sector employment	1676.8	1677.1	1699.7	1727.6	1,763.30	1807.7	1.5
Wage employment TRH sector	155.3	156.9	157.5	162.7	168	175.7	2.5
% Share of TRH	9.3	9.4	9.2	9.4	9.5	9.7	0.9

\*Provisional

Source: C.B.S. (Various Economic Surveys)

Figure 2.5 Tourism contributions to modern sector employment



## 2.8: HOTEL BED NIGHTS

The pie chart *Figure 2.8* compares the distribution of hotels bed nights stayed by visitors in the various zones of the country in 2005.

The Coastal Beach remains the favorite region for tourists claiming slightly over 50% of the total Bed-night occupancy in the country followed by the Nairobi hotels with 23.5 Percent.

German visitors occupied the highest bed-nights at the Coast recording 606.4 thousand, followed by Kenyan residents with 399.3 thousand, while visitors from United Kingdom occupied 387.8 thousand. Kenyan residents occupied majority of Nairobi hotels recording 253.8 thousand bed-nights followed by the United Kingdom and the United States, which together occupied a total of 95.8 thousand bed nights.

Bed Occupancy in the Nairobi High-Class hotels recorded a slowed growth of 9.7 percent in 2005 compared to previous year growth recorded to be 38.6% Other Nairobi hotels notably declined by 7.2 percent. The Northern Zone recorded a remarkable growth of 66.4, which is mainly attributed to improved security in the region and the strategic tourism promotion by KTB in the Northern Corridor. Nyanza Basin and Western zone recorded 17.3 percent and 27.0 percent growth respectively while the Masailand recorded a 32.9 percent growth.

Visitors from Europe preferred staying at the Coast accounting for over 76.0 percent bed-night occupancy while those from America, Asia and African countries preferred the Nairobi Hotels.



Table 14: Hotel bed-nights by Zone 1999-2005

Zone	1999	2000	2001	2002	2003	2004	2005*	2004– 2005 % change
<b>Coastal-Beach</b>	1,625.2	2,065.2	1,438.2	2,171.8	1,269.6	1,883.5	2273.7	20.7
<b>-Other</b>	73.9	85.8	136.1	108.2	36.5	29.4	43.5	48
<b>Coastal Hinterland</b>	48.7	76.3	56.6	44.9	60.9	52.9	75.1	42
<b>Nairobi-High class</b>	685.5	836.1	568.6	589.8	572.7	793.7	870.9	9.7
<b>-Other</b>	173.2	167.2	124.9	65.7	124.0	194.5	180.5	-7.2
<b>Central</b>	77.5	145.7	74.5	80.7	143.8	247.8	265.1	7.0
<b>Maasai land</b>	84.3	141.5	138.3	135.2	130.4	272.3	361.9	32.9
<b>Nyanza Basin</b>	110.1	87.3	94.4	103.7	127.9	167.7	196.7	17.3
<b>Western</b>	69.2	72.4	91.3	95.9	97.2	100.8	128.0	27.0
<b>Northern</b>	3.4	10.3	41.2	40.9	42.9	48.8	81.2	66.4
<b>TOTAL- OCCUPIED</b>	<b>2,951.0</b>	<b>3,687.8</b>	<b>3,354.9</b>	<b>3,436.8</b>	<b>2,605.9</b>	<b>3,791.5</b>	<b>4476.6</b>	<b>18.1</b>
<b>TOTAL- AVAILABLE</b>	<b>8,711.4</b>	<b>9,382.3</b>	<b>8,327.8</b>	<b>8,182.7</b>	<b>7,765.7</b>	<b>10,030.7</b>	<b>10,845.6</b>	<b>8.1</b>

\*Provisional

Source: Central Bureau of Statistics

Figure 2.8: Distribution of hotel bed-nights by Zone in 2005

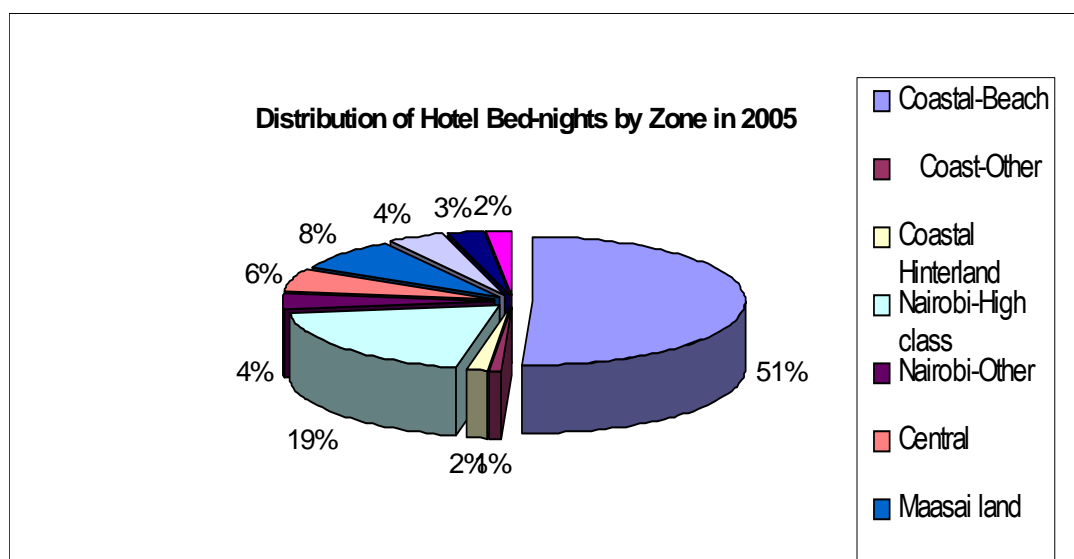
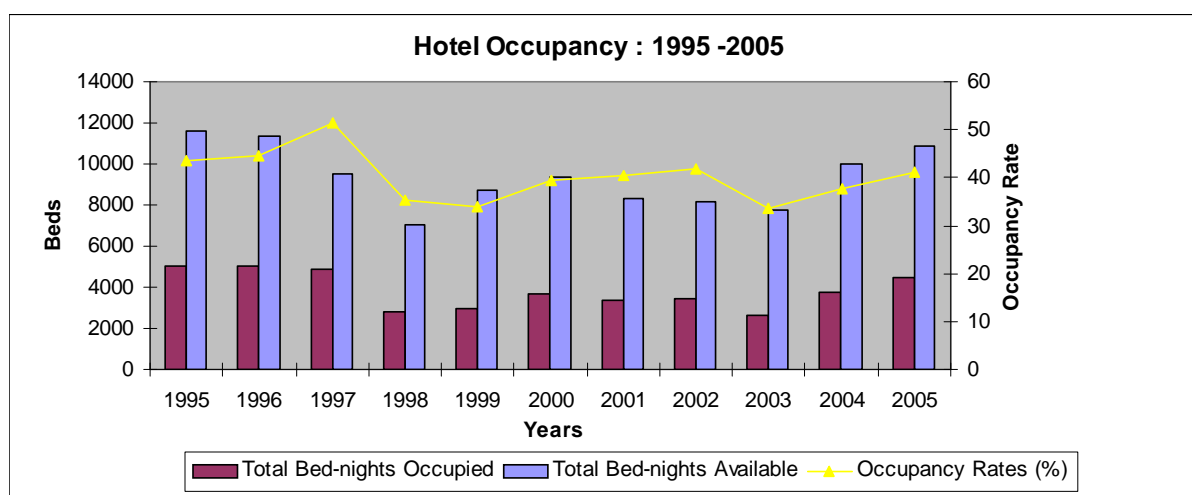


Table 15: Hotel and Similar Establishments Occupancy 1995 -2005

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total Bed-nights Occupied	5054.8	5061.2	4910.3	2813	2951	3688	3355	3437	2606	3,791.5	4476.6
Total Bed-nights Available	11562.2	11354.5	9516.6	7057.7	8711.4	9382	8328	8183	7766	10,030.7	10845.6
Occupancy Rates (%)	43.7	44.6	51.6	35.3	33.9	39.3	40.3	42.0	33.6	37.8	41.3

Source: Central Bureau of Statistics

Figure 2.9: Hotel Occupancy, 1995 - 2005



Overall bed occupancy significantly increased from 37.8 percent in 2004 to 41.5 percent in 2005. The graph however depicts that the occupancy rates have generally been on the ups and downwards trend over the past ten years

It started to improve after the slump of 1998 but declined again in 2003 probably due to adverse travel advisory by issued by the US Government to its citizens. The graph also shows a general decline in the total bed-nights available since 1996 to 2003. This is a reflection of some hotels that had closed for refurbishment.

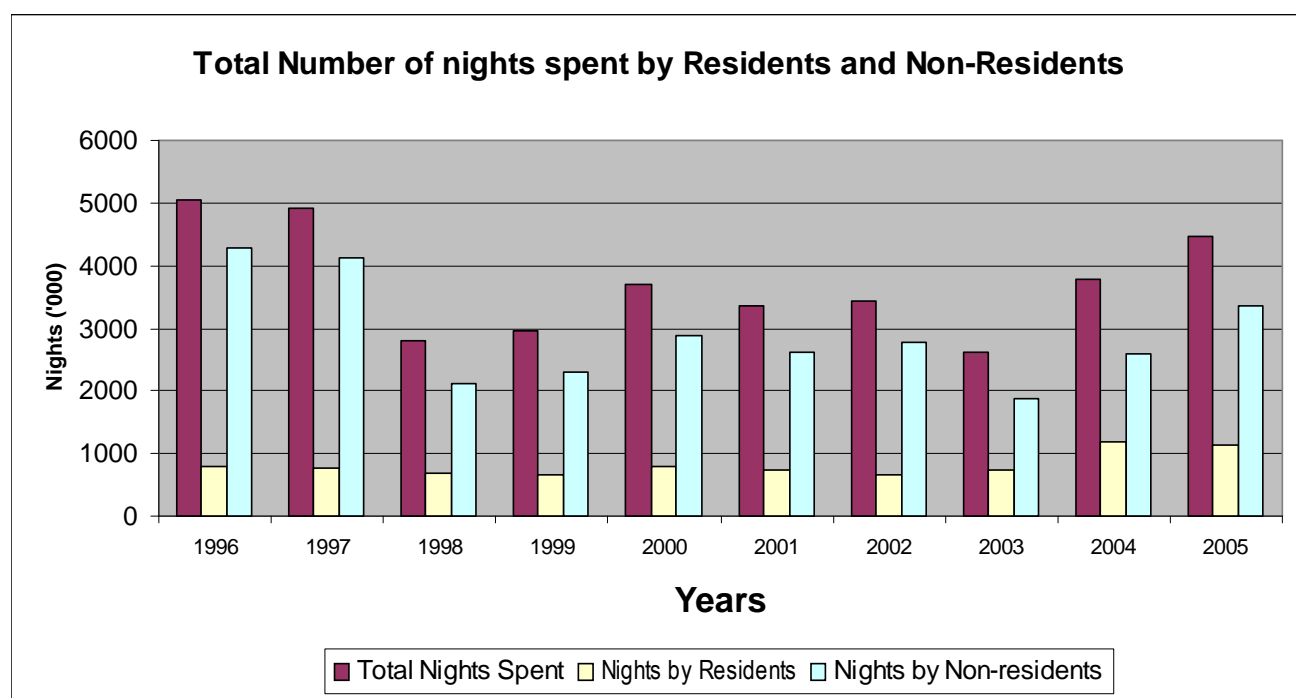
The recovery of both the bed-nights available and those occupied that started in 1999 was severely affected in 2001 and further in 2003 perhaps following the September 11 terrorists attacks in the US and the subsequent perception of Kenya as a highly vulnerable spot for terrorist attacks following bombings in Kikambala. .

The system however, started picking up after the 2003 slump taking a new recovery trend in both the number of bed-nights available and their occupancy rate with 2005 positively recording the highest number of bed-nights available since 1997.

Table 16: Nights Spent By Residents and Non-residents ('000)

Year	1997	%	1998	%	1999	%	2000	%	2001	%	2002	%	2003	%	2004	%	2005	%
Total Nights Spent	4910		2813		2951		3688		3355		3437		2606		3792		4477	
Nights by Residents	777	16	697	25	654	22	794	21	740	22	656	19	739	28	1190	31	1130	25
Nights by Non-residents	4134	84	2116	75	2297	78	2894	79	2615	78	2781	81	1867	72	2602	69	3347	75

Figure 2.10: Total number of nights spent by residents and non-residents



The graph illustrates the occupancy of hotels and lodges by foreign visitors versus the Kenyan residents. From the graph, it is clear that foreign tourists occupy most of the bed nights and implying that most Kenyans have not taken to being domestic tourist. The 5.1 percent decline in the number of bed-nights occupied by Kenyan residents depicts a clear case of the backtracking of Domestic Tourism, which had been seen to be on the verge to soar in 2004 after experiencing a stunning increase of 61.1 %. Perhaps, this can be attributed to relaxed advertisement of Domestic tourism.

On a long-term view however, the number of domestic tourist nights depicts an almost constant trend. This is important for the sector given the sensitivity of the sector towards external and internal events like the terrorist bombing. However domestic tourism needs to be targeted as a potential growth segment.

In 2005, bed –nights occupied by visitors from Asia increased by 32.5 percent from 131.2 thousand reflecting a positive response of increased frequency of national carrier to the Far East. Bed nights occupied by Visitors from European countries hiked by 15.0 percent with Germany and United Kingdom accounting for 15.4 and 14.0 percent of total occupancy respectively, the largest share of bed-nights. Bed

night occupancy by visitors from African countries dipped 4.2% in 2005 compared 59.5 % increase in 2004.

## 2.9 HOTEL LENGTH OF STAY

The average length of stay has exhibited a steady decline since 1997 moving from a 12-day stay to 8-day stays. The visitors are choosing to stay within Kenya for shorter periods. Competition with neighboring destinations could be among the reasons. A visitor prefers to use the other extra days to visit another competing destination. The limited range of activities for the visitors could also prompt a visitor to venture to a neighboring competitor for more adventure. The net effect will be Kenya losing some tourism revenue to a country like Tanzania. This calls for aggressive effort in product diversification to provide visitors with a wide range.

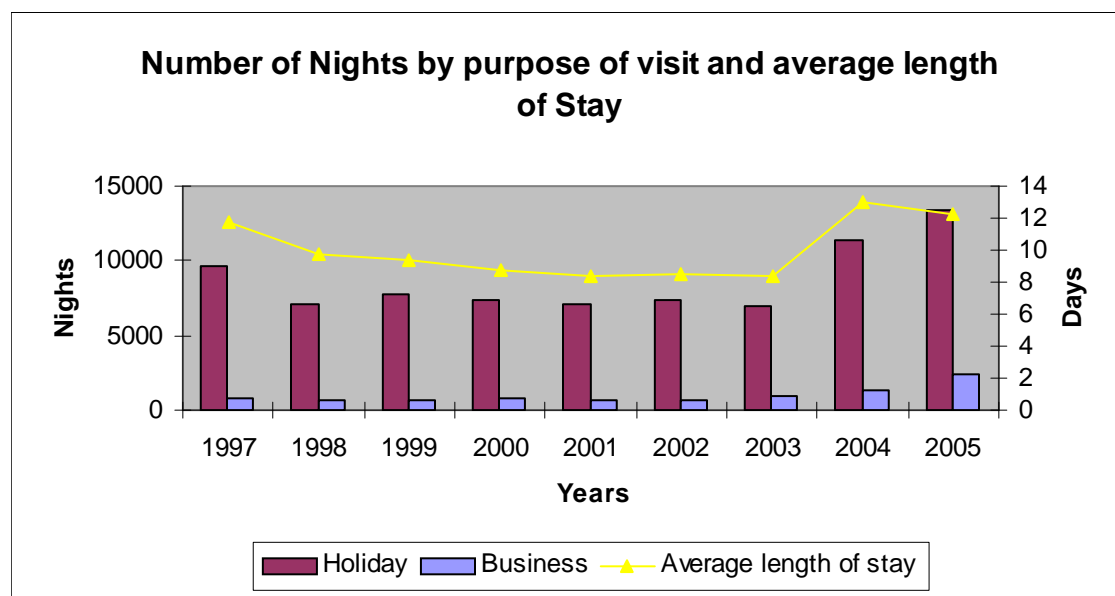
Holiday visitors continue to occupy majority of our bed-nights. Potential for exploiting the business tourism exists due to Kenya's strategic regional position as a business center for the greater East African Region. Number of visitors coming in for conference is already on the rise. The year 2004 experienced the highest average number of days stayed by visitors since 1997, 13 days. However, this slightly dropped to 12.3 days in the year 2005. The number of days stayed by visitors on holiday rose from 11.4 million in 2004 to 13.4 million in 2005 while the number of days stayed by visitors on Business increased by 83.7 %. However, the number of days stayed by visitors on transit dropped by 3.0%.

Table 17: Length of Stay by Tourist Purpose of Visit

Purpose	1997	1998	1999	2000	2001	2002	2003	2004	2005
Holiday	9603.0	7132.7	7754.6	7413.1	7123.2	7335.8	6975.9	11,414.3	13383.8
Business	785.4	646.0	712.1	814.8	699.0	717.1	979.8	1,336.00	2454.4
Transit	284.7	404.4	468.2	279.5	321.8	374.8	979.8	147.1	142.8
Average length of stay	11.8	9.8	9.4	8.7	8.4	8.5	8.4	13	12.3

Source: CBS (Economic Surveys and Statistical Abstracts for various years).

Figure 2.11: Figure Number nights by purpose of visit and average length of stay



## 2.10 Key Tourism Indicators

Year	Tourist arrivals (000)	Bed-nights ('000')	Occupancy Rate (%)	Av. Length of Stay (days)	Forex earnings (KShs M.)
1996	1,003.0	5,061.2	44.6	14.2	25,600
1997	1,000.6	4,910.3	51.6	11.8	22,640
1998	894.3	2,813.0	35.3	9.6	17,500
1999	969.3	2,951.0	33.9	9.4	21,360
2000	1,036.7	3,687.8	39.3	8.5	21,533
2001	993.6	3,354.9	40.2	8.4	24,239
2002	1,001.3	3,436.8	42.0	8.5	21,734
2003	1,146.1	2,605.9	33.6	8.4	25,768
2004	1,358.1	3,791.5	37.8	13	39,200
2005	1,479.0	4,476.6	41.3	12.3	48,900